

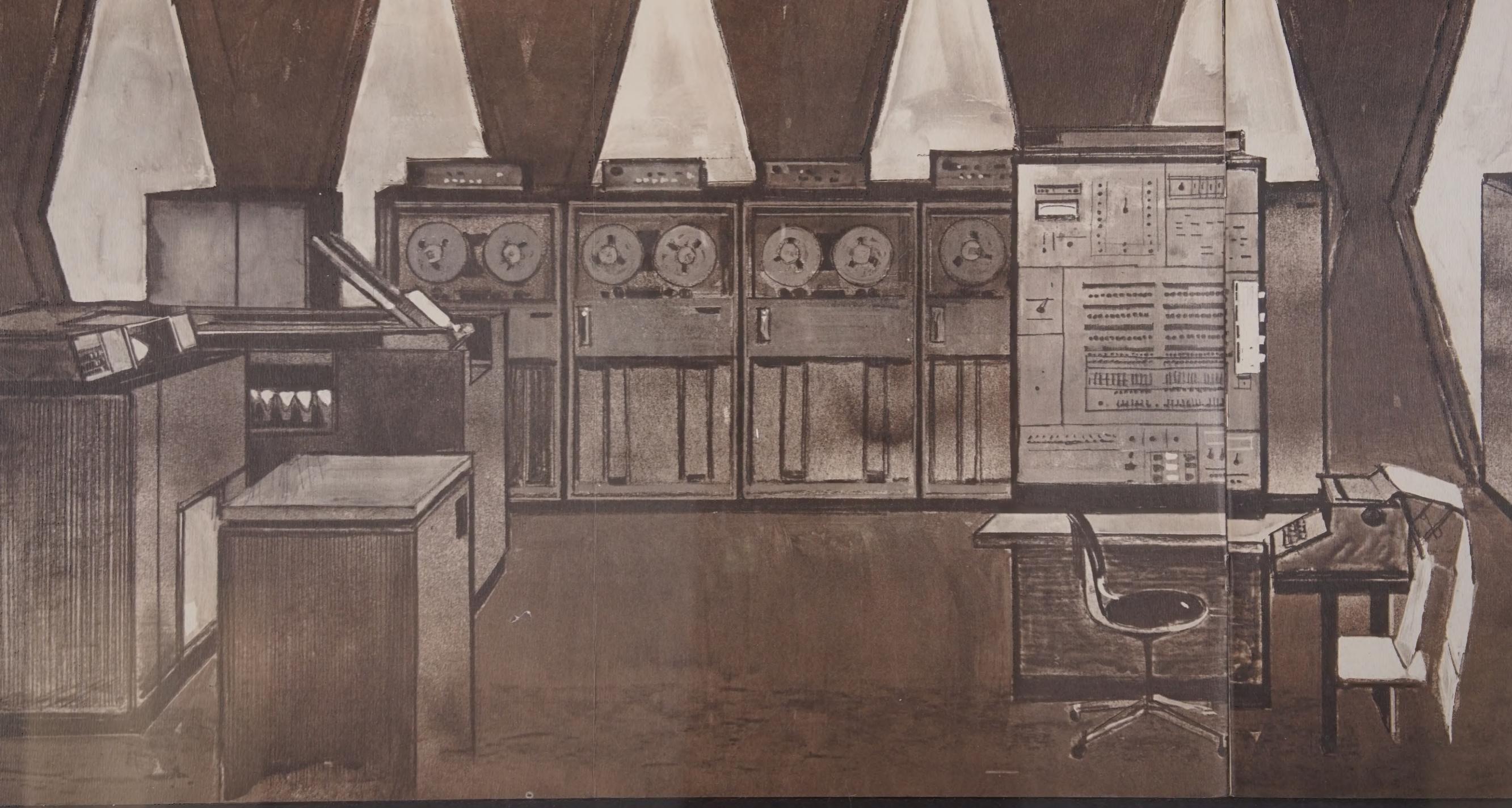
AR43

**ANNUAL
REPORT
1970**



Jill

FINANCIAL COLLECTION AGENCIES



FINANCIAL COLLECTION AGENCIES CORPORATE 1970 ANNUAL REPORT

CONTENTS

Page VI . . .	YEAR IN BRIEF
Page VIII . . .	CHAIRMAN'S REPORT TO SHAREHOLDERS
Page X . . .	PRESIDENT'S SUMMARY
Page XIII . . .	FINANCIAL STATEMENTS
Page XX . . .	THE "STRATEGY OF GROWTH"
Page XXIII . . .	DIRECTORY OF FCA LOCATIONS



FOREWORD

Just four short and exciting years ago FCA became a public company. At that time our valued clients entrusted us with thirty million dollars for collection. During this fiscal year that figure has risen to over one hundred million dollars.

FCA's "Strategy of Growth" is paying dividends. During these last four years we have added strength and depth to all phases of our operation. Our personnel have matured and are more experienced . . . Our network of offices has expanded from 38 to 56 and FCA's service effectively blankets the United States, Canada and the United Kingdom.

Within these pages is depicted a company that has attained the position of leadership on the international scene as the collection specialist whose philosophy is comparable with that of the major corporations FCA is privileged to service. FCA's objectives are unchanged: to provide an essential service to our clients; to contribute to the health of the economy and to provide challenge and opportunity for our valued and dedicated personnel.

REGISTRAR AND TRANSFER AGENT

The Royal Trust Company

AUDITORS

Glendinning, Jarrett, Gould & Co.
Chartered Accountants

S.D. Portner
Chartered Accountant

LISTED

Montreal Stock Exchange
Trading Symbol: FCM



FCA's Third Generation IBM System/360 computer serves primarily as a data communications center and provides total accounting services to FCA clients. Plans call for more data terminals in key FCA offices and eventually in the offices of some major clients.

FINANCIAL COLLECTION AGENCIES CORPORATE 1970 ANNUAL REPORT



CONTENTS

Page VI . . .	YEAR IN BRIEF
Page VIII . . .	CHAIRMAN'S REPORT TO SHAREHOLDERS
Page X . . .	PRESIDENT'S SUMMARY
Page XIII . . .	FINANCIAL STATEMENTS
Page XX . . .	THE "STRATEGY OF GROWTH"
Page XXIII . . .	DIRECTORY OF FCA LOCATIONS

FOREWORD

Just four short and exciting years ago FCA became a public company. At that time our valued clients entrusted us with thirty million dollars for collection. During this fiscal year that figure has risen to over one hundred million dollars.

FCA's "Strategy of Growth" is paying dividends. During these last four years we have added strength and depth to all phases of our operation. Our personnel have matured and are more experienced . . . Our network of offices has expanded from 38 to 56 and FCA's service effectively blankets the United States, Canada and the United Kingdom. Within these pages is depicted a company that has attained the position of leadership on the international scene as the collection specialist whose philosophy is comparable with that of the major corporations. FCA is privileged to service. FCA's objectives are unchanged: to provide an essential service to our clients; to contribute to the health of the economy and to provide challenge and opportunity for our valued and dedicated personnel.

REGISTRAR AND TRANSFER AGENT

The Royal Trust Company

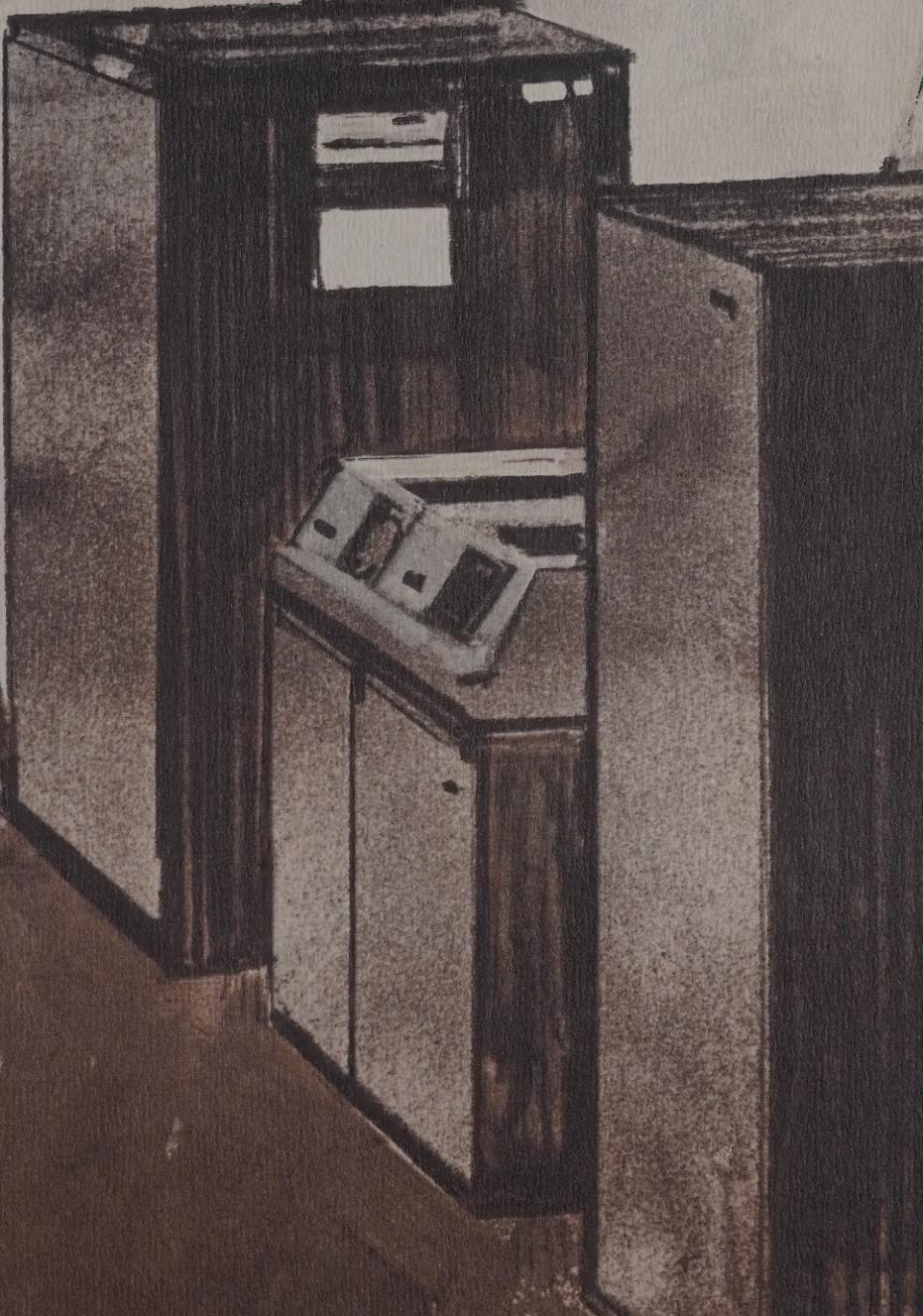
AUDITORS

Glendinning, Jarrett, Gould & Co.
Chartered Accountants

S.D. Portner
Chartered Accountant

LISTED

Montreal Stock Exchange
Trading Symbol: FCM



FCA's Third Generation IBM System/360 computer serves primarily as a data communications center and provides total accounting services to FCA clients. Plans call for more data terminals in key FCA offices and eventually in the offices of some major clients.

YEAR IN BRIEF

	1970	1969	
Accounts Accepted for Collection	\$100,700,000	\$62,000,000	
Gross Revenue	\$ 7,599,137	\$ 5,363,412	
Profit Before Depreciation and Taxes	\$ 1,304,493	\$ 1,027,497	
Income Taxes	\$ 573,812	\$ 463,162	
Net Profit	\$ 652,824	\$ 516,654	
Net Earnings per Share	35¢	29¢	
Number of Shares Outstanding	1,860,000	1,800,000	
Cash Dividends	\$ 353,400	\$ 274,500	
Number of FCA Offices	56	54	
Number of FCA Offices to date	65	—	

DIRECTORS

KENNETH J. BONNINGTON
 WILLIAM A. CLARKE
 JACK D. LUBOTTA
 JOSEPH B. LUBOTTA
 MARK S. LUBOTTA
 MARTIN J. LUBOTTA
 LAWRENCE MARKS, Q.C.
 GERALD R. STEPHENS
 GORDON C. WAITT

OFFICERS

J.B. LUBOTTA, Chairman of the Board
 J.D. LUBOTTA, President & Treasurer
 K.J. BONNINGTON, Executive Vice President
 G.R. STEPHENS, Senior Vice President
 L. MARKS, Q.C., Secretary

VICE PRESIDENTS

MAURICE V. KARMEN
 GEORGE KOPP
 MARTIN J. LUBOTTA

FCA U.K. DIRECTORS

RAYMOND L. EVERETT
 EDWARD A. DOYLE
 JOHN M. DUBOIS
 JACK D. LUBOTTA
 JOSEPH B. LUBOTTA
 MAX B. LUBOTTA
 LAWRENCE MARKS Q.C.
 GRAHAM SMITH





FCA House is one of seven management centers overseeing the company's operations. Occupying the entire building, it serves primarily as a focal point for FCA's Management Information System and operates in conjunction with other FCA executive centers.

CHAIRMAN'S REPORT TO SHAREHOLDERS



The Computer Age is changing the image of the collection industry and FCA has taken a leading position in that change.

Large corporations, companies who grant credit to wholesale and retail customers, manufacturers oil companies, department stores, hotel chains, have all adopted high-speed, automated and instantaneous information systems to cope with today's fast business pace.

The computer has ushered in sophisticated management techniques that depend on instant facts and require instant answers. Contemporary and competitive corporations stay ahead when their management has up-to-the-minute information on which to base decisions. Computer methods and printouts provide efficiency and control to large corporations now that the days of typewritten invoices and hand checked lists are things of the past.

As an extension of the credit department of modern corporations, the collection agency must be prepared and equipped to keep pace with the management techniques and technology of the client it serves.

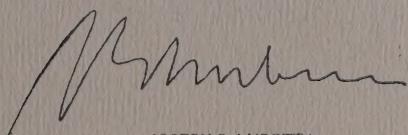
The Computerization at FCA has meant much more than added efficiency and control of our operations. True, we have increased the efficiency of our reporting practices to our many large corporate clients and thousands of not so large but equally valued clients. Also, we have gained a greater degree of accounting control of customers' collections and remittances. But we have done much more.

The quality, timeliness and accuracy of our service to clients are unprecedented in the collection industry. As an integral part of the business cycle, the collection function must keep pace with modern business techniques. At FCA, it has.

Financial Collection Agencies entered this new era of Data Management with the installation of a third generation IBM System/360 which upgrades our previous computer facilities. Using high-speed equipment to input data, processing in micro seconds and out-putting at almost 800 lines per minute, FCA's highly developed methods of accounting and data handling provide management and clients with timely reports developed from statistics compiled in three separate countries and in three currency values.

"Upgrading" is not new to FCA. In the history of our operations, we have upgraded from one office to 56 offices; from one city to 56 cities; from one country to three countries; from a handful of clients to tens of thousands; from a few key employees to a dedicated team of over 700; from a private company to a publicly-owned corporation. Our status, reputation and performance stand out in the industry. We have kept ahead of the times.

In this, our forty-fourth and finest year, we pledge our efforts toward meeting the continuing challenge of our fast and ever changing world.

A handwritten signature in black ink, appearing to read "Joseph B. Lubotta".

JOSEPH B. LUBOTTA
Chairman



Environment plays an important role in developing maximum productivity and performance. All new FCA offices are designed to create an environment in which staff procedures can be carried out comfortably and efficiently.

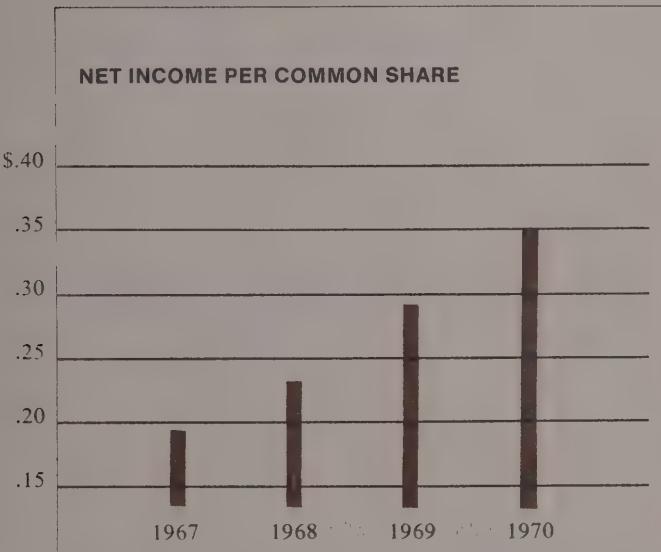
A large number of performance records were broken in the fiscal year ended June 30, 1970. FCA achieved the highest volume and value of accounts placed for collection, the largest gross revenue and the highest net profit in our corporate history.

FINANCIAL

■ NET EARNINGS

We are pleased to announce that net earnings rose 26 percent to a record \$652,824 from \$516,654 in 1969. This record was achieved during a year of generally declining markets, tight money, inflationary trends and a definite slow-down in world economic growth. FCA has always maintained that its operations are not subject to the vagaries of the normal business cycle. When money is readily available, credit granting controls are relaxed and our services are in high demand. On the other hand, when credit restrictions are applied, as during the current period, cash collections and liquidity are even more vital to corporate financial health.

■ EARNINGS PER SHARE



Earnings per share amounted to 35 cents compared with 29 cents per share in 1969. During the fiscal year under review, an additional 60,000 treasury shares were issued, bringing the total number of issued and outstanding shares to 1,860,000.

■ CASH DIVIDENDS

Dividend payments were increased from an effective rate of 16 cents per share in the prior year to 20 cents per share for the year ended June 30, 1970. Total dividends paid amounted to \$353,400 in fiscal 1970 compared with \$274,500 in fiscal 1969.

■ NEW BUSINESS

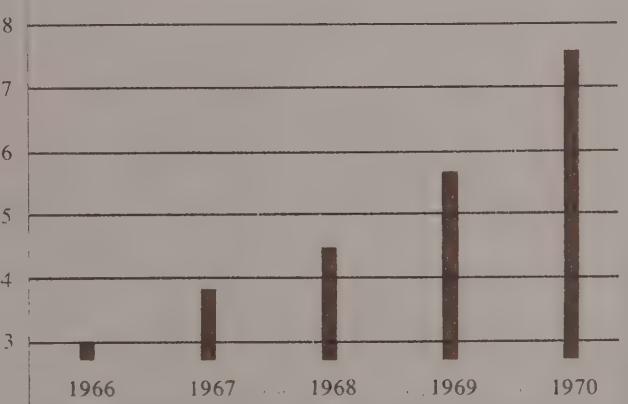
The value of accounts accepted for collection increased to \$100,700,000 from \$62,000,000 last year.



■ GROSS REVENUE

Gross revenue (which is commissions earned from collections) and other income, amounted to \$7,599,137 compared with the previous year's \$5,363,412 for an increase of 42 percent.

GROSS REVENUE (IN MILLIONS)



OPERATIONAL PERFORMANCE

Substantial administrative efficiencies have been realized through the installation of a sophisticated data processing system. A third generation IBM System/360 is now operating at FCA's "Computing and Data Center". Through its high speed systems, operation reports from the United States, United Kingdom and Canada are converted to internal and external informational printouts that add immeasurably to the efficiency of our operations and to the reporting and remitting procedures to clients.

Communication terminals between nine FCA offices are currently in existence. These terminals facilitate the rapid transmission of data and provide FCA with current information relating to collections and performance.

The progress made by recently opened or newly acquired offices has been most satisfying. The FCA method of operation is valid for any geographic location. Once established, the methods result in contributions to earnings that both fulfil our expectations and are gratifying to our clients and our shareholders.

■ UNITED KINGDOM DIVISION

The United Kingdom Division experienced substantial increases in volume, sales and collection recoveries throughout the entire fiscal year under review. Senior management strength has been developed from within the division, and has been augmented by other experienced key management executives.

All U.K. offices have matured and grown substantially during the year under review. Further openings in other major cities throughout the United Kingdom are contemplated to extend the network of offices for more concentrated coverage and to produce even greater collection recoveries for our clients. A new office in Cardiff, Wales has been opened and is operating.

■ AMERICAN DIVISION

Offices established in late 1968 and early 1969, both through new openings and acquisitions - Denver, Los Angeles, Miami, Fort Lauderdale, Phoenix, Pittsburgh and New York City - all developed as planned, and by complete application of FCA methods, are contributing to the continual growth of FCA in the United States.

During the year under review, offices were established or acquired in Milwaukee, Chicago, Hartford, Detroit, and Richmond, bringing the total to 19 offices in the United States at the end of the year under review - (29 offices at date of printing). The extension of our coverage throughout the nation has resulted in an exciting reaction from our clients who require national coverage and inter-city liaison for the collection of their receivables.

■ CANADIAN DIVISION

Our offices throughout Canada have progressed very favourably during the year. Increases in sales and recoveries were significant in virtually all areas of the FCA Canadian operation. Addition of trained collection personnel in many of the larger offices, together with the increased experience of another year, has resulted in even more stability for our solid network throughout the nation. Recovery ratios have risen significantly and management is concentrating its effort on the refining and streamlining of collection techniques.

ACQUISITIONS AND NEW OFFICES

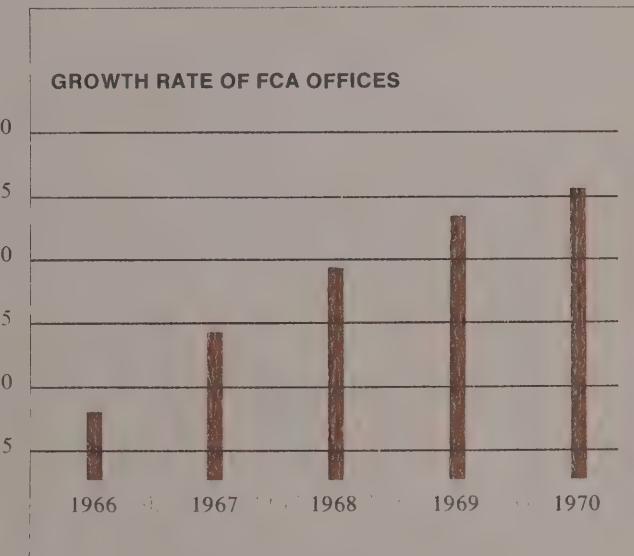
Early in the fiscal year under review FCA completed the acquisition of United Service Bureau, Inc., a privately

owned Milwaukee based agency with four offices. This acquisition provided FCA with its first bases in the heavily populated Mid-Western States. New offices in Hartford, Richmond and Detroit were opened during this fiscal period and are performing as projected.

Several other U.S. cities are now under consideration within our expansion plans. Markets considered essential and probable FCA locations include... Kansas City, San Diego, Salt Lake City, St. Louis, Minneapolis, St. Paul, Washington D.C. and Dallas. Possible acquisition of collection companies in these areas is under constant and active review.

The timing of these expansion moves has not been clearly established but already, since the fiscal year ending June 30th, 1970, offices in Houston, Texas and San Francisco, California, have been announced and opened.

In addition, FCA recently acquired the 11 office company of First National Credit Systems Inc. providing blanket coverage throughout the industrial and highly populated states of Michigan and Ohio.



OUTLOOK

The management of FCA is confident that your company will continue to grow and prosper in line with its aggressive, long-range plans to strengthen our business in three countries and beyond.

Our carefully selected team of over 700 professional men and women are extending our operations and reputation throughout the business world. To them, and to our many associates and shareholders we extend our warmest appreciation.

J.D. Lubotta
JACK D. LUBOTTA
President.

FINANCIAL SECTION

Page XIV . . . CONSOLIDATED BALANCE SHEET

Page XVI . . . CONSOLIDATED STATEMENT OF EARNINGS

Page XVI . . . CONSOLIDATED STATEMENT OF RETAINED EARNINGS

Page XVIII . . . CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Page XVIII . . . NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT

To the Shareholders of "Financial Collection Agencies Ltd." September 30, 1970
Financial Collection Agencies Ltd.

We have examined the consolidated balance sheet of Financial Collection Agencies Ltd., and its subsidiary companies as at June 30th, 1970 and the consolidated statement of retained earnings, earnings and source and application of funds for the year then ended. Our examination of the financial statements of Financial Collection Agencies Ltd. (the parent company), and those subsidiary companies of which we are auditors, included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the reports of the auditors who have examined the financial statements of the other subsidiary companies.

In our opinion, these consolidated financial statements present fairly the financial position of the companies as at June 30th, 1970 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

GLENDINNING, JARRETT, GOULD & CO. S.D. PORTNER,
CHARTERED ACCOUNTANTS CHARTERED ACCOUNTANT



CONSOLIDATED BALANCE SHEET

JUNE 30, 1970 AND 1969



	ASSETS	
	1970	1969
CURRENT		
Cash	\$ 728,706	\$ 675,813
Accounts receivable - clients	723,961	487,734
Sundry accounts receivable (note 5)	103,226	106,547
Cost of collection accounts purchased (net)	77,250	122,075
Special refundable tax	—	10,002
Prepaid charges	69,478	37,414
	1,702,621	1,439,585
TRUST FUNDS		
Cash	1,384,980	924,639
OFFICE EQUIPMENT, LEASEHOLD IMPROVEMENTS AND AUTOMOBILES		
at cost less accumulated depreciation and amortization		
1970 - \$329,469; 1969 - \$265,394	315,064	242,370
INTANGIBLE		
Goodwill (note 6)	745,059	232,160
Organization expenses less amount amortized	30,669	8,429
Excess of cost over book value of subsidiary companies at date of acquisition	328,710	321,877
	1,104,438	562,466
	4,507,103	3,169,060
	LIABILITIES	
CURRENT		
Bank Loan	274,495	135,000
Accounts payable and accrued charges	161,143	150,892
Balance due to vendors of collection organizations acquired	82,153	155,187
Accounts payable to directors	7,304	13,937
Liability for income taxes	380,911	390,962
	906,006	845,978
FUNDS HELD IN TRUST FOR CLIENTS		
per contra remitted in July, 1970.	1,384,980	924,639
	2,290,986	1,770,617
	SHAREHOLDERS' EQUITY	
CAPITAL STOCK		
Common shares without nominal or par value (note 4)		
Authorized: 3,000,000 shares	1,183,179	664,929
Issued: 1,860,000 shares	1,032,938	733,514
RETAINED EARNINGS		
	2,216,117	1,398,443
	\$4,507,103	\$3,169,060
APPROVED ON BEHALF OF THE BOARD		
J.B.Lubotta, Director		
J.D.Lubotta, Director		

The notes to the financial statements are an integral part of these statements and should be read in conjunction therewith.

FINANCIAL COLLECTION AGENCIES

2500 WELLINGTON BLVD SUITE 1000
FAIRBANKS, ALASKA TEL/999-366-4023

ACCT NO.	NAME	DATE PLACED MO.	DATE MO.	INP YR.	AMOUNT DUE	AMOUNT PAID	BALANCE
SU 16	61234 879 WALMEN L	2 0	2 0	1992	2500	833	1667
SU 20	61238 551 LENOAH R	1	1	1992	3500	1167	2333
CD 13	61273 747 BLAIR R	5 0	A	1992	4500	1623	3245
RD 13	61283 858 HUNTER B	10 9	B	IN FULL	3500	3500	0
CD 22	61298 288 ADAMS A	5 9	A	IN FULL	3500	3500	0
CD 29	61298 426 WING A	5 9	R	1992	3500	278	3572
LS 19	61318 392 SOLSEN J	0	C	30	3000	3000	0
TR 29	61321 102 COVINGTON L	2	1	1992	2500	833	1667
MA 15	61322 636 COUGAR C	6 9	B	IN FULL	3500	3500	0
ME 12	61324 252 CHAP P	3 9	A	IN FULL	3500	3500	0
BR 22	61340 194 CARTER R	4 2		1992	750	750	0
AT 24	61344 204 FRENCH-BRETSON D	1 2	A	IN FULL	4500	4500	0
CU 33	61342 109 CRED CARD BABINE	2 0	A	IN FULL	3500	3500	0
MN 10	61355 926 KRESSIN O	2 1 9	A	IN FULL	4046	4046	0
PE 22	61360 297 RUSSELL C	2 0	A	IN FULL	3000	3000	0
SY 22	61371 792 RINGSTAD E	4 9		1992	1500	1500	0
OJ 18	61376 195 BRISCHI J	5 9	A	IN FULL	1500	1500	0
ED 26	61385 426 JAMES J 180520	2 2 9	A	IN FULL	3500	3500	0
MF 2	61382 346 HECK G	2 2 9	O	1992	3500	3500	0
CG 30	61386 373 MULCAHY A	1 0		1992	3500	3500	0
SE 9	61383 275 JANSEN JR	2 0		1992	15000	15000	0
SK 22	61383 275 JANSEN JR	2 0		1992	10000	10000	0
PL 32	61385 697 HTLJ M	1 0		1992	28306	28306	0
DT 3	61398 613 HOGAN T	1 0	A	IN FULL	44436	44436	0
DT 3	61438 220 LARSON T	1 1 9	A	IN FULL	3500	3500	0
KR 3	61495 799 HEDRICK	1 2 0	A	IN FULL	1500	1500	0

CLIENT
NUMBER:
1125-CORPORATE DATA
FURNISHES ALASKA
ATTLE, FAIRBANKS



AMOUNT DUE PCX
PLEASE PRINT
AMOUNT PAID
CALCULATED
TOTAL COLLECTION
FOR THIS PERIOD

10981 29892

Total accounting services for FCA's clients are performed by the FCA Computing and Data Center. FCA provides its clients with detailed and timely computerized statements as well as performance and statistical documents for defined geographical collection areas.

CONSOLIDATED STATEMENT OF EARNINGS

For the year ended June 30, 1970 and 1969

	1970	1969
GROSS REVENUE FROM OPERATIONS	<u>\$7,599,137</u>	<u>\$5,363,412</u>
INVESTMENT INCOME	<u>135,193</u>	<u>71,736</u>
INCOME FROM OPERATIONS for the year before providing for the undernoted	<u>1,489,593</u>	<u>1,192,168</u>
Provision for depreciation and amortization	77,857	47,681
Remuneration of directors	185,100	164,671
	<u>262,957</u>	<u>212,352</u>
NET INCOME BEFORE PROVIDING FOR INCOME TAXES	<u>1,226,636</u>	<u>979,816</u>
PROVISION FOR INCOME TAXES	<u>573,812</u>	<u>463,162</u>
NET INCOME	<u>652,824</u>	<u>516,654</u>
EARNINGS PER SHARE	<u>\$ 0.35</u>	<u>\$ 0.29</u>

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

For the year ended June 30, 1970 and 1969

	1970	1969
Balance, July 1st	<u>\$ 733,514</u>	<u>\$ 501,652</u>
NET INCOME	<u>652,824</u>	<u>516,654</u>
	<u>1,386,338</u>	<u>1,018,306</u>
DEDUCT: Dividends on common shares	<u>353,400</u>	<u>274,500</u>
Taxes withheld from and foreign exchange adjustment on dividends received from foreign subsidiaries (in 1970 charged against earnings)	—	10,292
	<u>353,400</u>	<u>284,792</u>
BALANCE, June 30th	<u>\$ 1,032,938</u>	<u>\$ 733,514</u>



All FCA clerical departments are important to the successful operation of the office. New offices are designed on the "work station" concept to achieve fast, accurate and efficient performance for clients.

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended June 30, 1970

FUNDS WERE OBTAINED FROM:

Net income	\$ 652,824
Add: Charges against income not requiring an outlay of funds:	
Depreciation and amortization.....	77,857
	<u>730,681</u>
Issue of capital stock—60,000 shares.....	518,250
	<u>\$1,248,931</u>

AND FUNDS WERE USED TO:

Pay dividends.....	\$ 353,400
Purchase collection organizations (not including net assets acquired)	519,732
Purchase office equipment, leasehold improvements and automobiles - net.....	142,968
Pay organization expenses for new subsidiaries.....	29,823
Increase working capital.....	203,008
	<u>\$1,248,931</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the year ended June 30, 1970.

1. PRINCIPLES OF CONSOLIDATION

Assets and liabilities in foreign currencies are converted on the following basis—current assets and current liabilities at the rate prevailing at the balance sheet date; other assets and liabilities at the actual exchange rates prevailing at the date of the transaction. Income and expenses in foreign currencies are converted at average exchange rates for the year.

2. DESIGNATED SURPLUS

Under provisions of the Income Tax Act of Canada, profits of certain Canadian subsidiaries aggregating approximately \$543,000, earned before acquisition, are considered part of "designated surplus" and as such may not be paid to the parent company without attracting additional taxation of approximately one-half of such dividends.

3. DIVIDEND RESTRICTIONS

Transfer of earnings from the United Kingdom subsidiary companies are subject to the approval of exchange control authorities. Dividend payments from the United Kingdom and the United States of America subsidiaries are subject to withholding taxes of 15% upon their remittance to the parent company; as the amounts of these future taxes are not presently determinable, no effect has been given to any

such future liability in the financial statements.

4. CAPITAL STOCK.

During the year, the company issued for net proceeds in cash of \$518,250, a further 60,000 common shares for the purpose of continuing the program of acquisition of other collection organizations.

5. GENERAL

- a) Cash includes deposit receipts issued by the companies' bankers.
- b) Included with sundry accounts receivable are loans aggregating \$32,928 to employees to permit them to purchase shares in the company.
- c) The company leases premises in its several locations on varying terms. The most significant long-term commitment of this nature is a lease for the building known as FCA House which provides accommodation for the Head Office, a branch, and the centralized data processing division of the entire group, the rent being \$60,000 per year to September 30th, 1987.

6. GOODWILL

Additions to goodwill are computed as the cost of collection agencies purchased, less value of tangible assets.

OUTPUT FORMAT SPECIFICATIONS

BAL RATIO REPORT

PERIODIC SR.

Page #1

Program Identification
ΦΦΦ659

75 76 77 78 79 80

Field	Size	Output Address	Format	Field Codes	
1	1	1	1	1	
2	1	2	1	1	
3	1	3	1	1	
4	1	4	1	1	
5	1	5	1	1	
6	1	6	1	1	
7	1	7	1	1	
8	1	8	1	1	
9	1	9	1	1	
10	1	10	1	1	
11	1	11	1	1	
12	1	12	1	1	
13	1	13	1	1	
14	1	14	1	1	
15	1	15	1	1	
16	1	16	1	1	
17	1	17	1	1	
18	1	18	1	1	
19	1	19	1	1	
20	1	20	1	1	
21	1	21	1	1	
22	1	22	1	1	
23	1	23	1	1	
24	1	24	1	1	
25	1	25	1	1	
26	1	26	1	1	
27	1	27	1	1	
28	1	28	1	1	
29	1	29	1	1	
30	1	30	1	1	
31	1	31	1	1	
32	1	32	1	1	
33	1	33	1	1	
34	1	34	1	1	
35	1	35	1	1	
36	1	36	1	1	
37	1	37	1	1	
38	1	38	1	1	
39	1	39	1	1	
40	1	40	1	1	
41	1	41	1	1	
42	1	42	1	1	
43	1	43	1	1	
44	1	44	1	1	
45	1	45	1	1	
46	1	46	1	1	
47	1	47	1	1	
48	1	48	1	1	
49	1	49	1	1	
50	1	50	1	1	
51	1	51	1	1	
52	1	52	1	1	
53	1	53	1	1	
54	1	54	1	1	
55	1	55	1	1	
56	1	56	1	1	
57	1	57	1	1	
58	1	58	1	1	
59	1	59	1	1	
60	1	60	1	1	
61	1	61	1	1	
62	1	62	1	1	
63	1	63	1	1	
64	1	64	1	1	
65	1	65	1	1	
66	1	66	1	1	
67	1	67	1	1	
68	1	68	1	1	
69	1	69	1	1	
70	1	70	1	1	
71	1	71	1	1	
72	1	72	1	1	
73	1	73	1	1	
74	1	74	1	1	
75	1	75	1	1	
76	1	76	1	1	
77	1	77	1	1	
78	1	78	1	1	
79	1	79	1	1	
80	1	80	1	1	

Complaint of Best Words

35 54 66 76 87 88 99 60 61 62 63 64 65 66 67 68 89 70 71 72 73 74

 $(A + B + C - D)$ $(A + B + C - D)$

Management depth is a key factor for FCA's continued growth. FCA programmers undertake extensive management courses in order to equip themselves with the knowledge required to provide FCA executives with comprehensive data on which to base management decisions and policies.

THE STRATEGY OF GROWTH



June 1926 - a small collection agency was started by a young man. Today it's called Financial Collection Agencies. It isn't small any more. In fact, FCA is the largest international collection company in the world - a public company - the only one listed on a prominent stock exchange. Its books are open to the public. Its annual statements are widely circulated for all to see.

FCA still follows the strategy it had when it started business in 1926. FCA calls it the "Strategy of Growth".

THE STRATEGY OF COVERAGE

■ A Collection Agency Must Cover A Broad Territory

Maybe it didn't matter so much back in 1926 about the size of a collection agency. One office in one city could probably have done an adequate job on local accounts. Who could have foreseen then the fantastic growth in national and international business, the vast networks of transportation and distribution arteries, the incredible mobility of the world population? FCA foresaw it.

As early as 1929, many of FCA's large commercial and retail clients submitted accounts for collection that were widely spread across the country. These early requests for on the spot coverage quickly grew in numbers and broad coverage was already proving to be a necessity in order to properly service our growing clientele.

Incidents like these led FCA to establish offices throughout Canada, the United Kingdom and the United States. By 1967 FCA had opened 44 international offices to serve clients whose businesses were expanding and who required the services of FCA in new locations. Wherever FCA was needed, it went. Today FCA has 65 offices, 56 at fiscal year end 1970.

THE STRATEGY OF FINANCIAL STABILITY

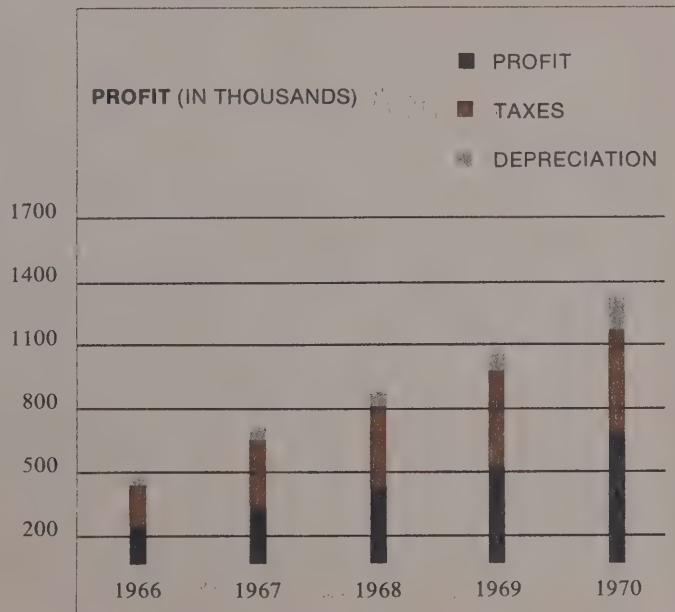
■ A Collection Agency Must Be Financially Stable.

By 1966 FCA was large - large enough to go public. The strategy of financial stability was at last ready for full implementation. Full disclosure was willingly subscribed to by FCA. The investing public had a right to know every detail about the company's operations and financial standing. The general public, especially clients, were encouraged to see for themselves, too. And they did. They saw from the prospectus, and from subsequent annual reports, that FCA has a 44-year history of consecutive increases in volume, revenue and net profit. They saw that over \$3 million in assets are all current and liquid because of proper financial management.

In 1970, the financial growth of the company was evidenced by unprecedented statistics:

- Accounts accepted for collection increased from \$25-million in 1965 to over \$100 million in 1970. Gross Revenue increased from \$2.5 million in 1965 to \$7.6 million in 1970.

- Net profit increased from \$150,000 in 1965 to \$652,824 in 1970.
- Dividend payments increased from \$86,986. in 1967 (first year as a public company) to \$353,400 in 1970.
- The number of offices increased from 32 in 1965 to 56 in 1970. Since the year end, to 65.



Whether a client entrusts a collection agency with \$50 or \$50,000 worth of accounts for collection, he wants to know that he is dealing with a company that can manage its own finances properly. FCA shows that it can do that.

THE STRATEGY OF EFFICIENCY

■ A Collection Agency Must Operate Efficiently.

Efficiency, the password of every successful company is perhaps the most difficult to achieve in the collection industry. The nature of the collection business is such that inefficient practices and procedures could very easily creep into the organization. Daily reporting practices would soon become meaningless without daily analysis and processing by management. The voluminous paper work that results from the reporting of collection activities could very easily cause a paper pollution that would defeat the economics inherent in making the collection in the first place.

THE STRATEGY OF GROWTH

That's why FCA has upgraded its computer installation. A third-generation IBM System/360 now processes every transaction FCA performs on behalf of clients. One touch of a button and instant printouts provide internal and external information; collection results, client reports, statements, checks, statistics. Fast and efficient. Large clients may soon have FCA computer terminals in their own offices. Statement preparation, remittance reports may become automatic.

All offices are "plugged in" to FCA's computerized core at FCA's Computing and Data Center.

THE STRATEGY OF PEOPLE

■ A Collection Agency Must Hand Pick and Train Its Own Personnel.

There are numerous people available with experience in the collection agency business. FCA takes people with many different kinds of backgrounds...in accounting, in management, in selling, in public relations. Broad business experience in a number of industries form a cross section of FCA people. From that base, FCA trains its own personnel. You can spot the FCA-trained people quickly. They are unlike others in the collection business. They understand a client's business, his problems and his opportunities. They understand his need to maintain a good reputation among his customers (even the slow paying ones), and they understand the meaning of "good will".

It's the same regardless of which branch you contact. All FCA people receive the same basic training. It's the FCA method. FCA has no franchisees, no licensees, no associates...anywhere. Every FCA office is staffed with people directly on the FCA payroll. Directly responsible to FCA executive centers. Directly under the control of FCA management.

All FCA clients are assured that the person who says "I represent FCA", really does!

THE STRATEGY OF STATUS

■ A Collection Agency Must Maintain The Highest Standards of Ethics and Reputation.

An old axiom says that a man is known by the company he keeps. Companies are judged by the companies with whom they become associated. Any company that values its reputation wants to associate with other companies whose ethics and methods are of the highest repute. That's why FCA is proud of the fact that it serves some of the world's most respected and honoured corporations.

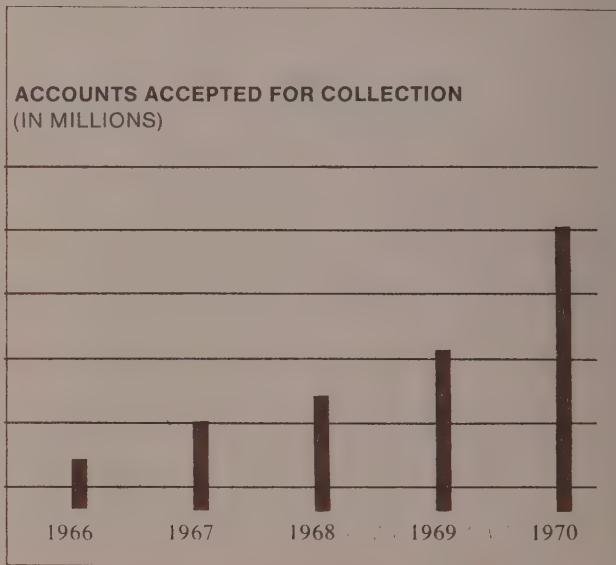
There are countless examples in FCA's records where very large delinquent accounts have been collected in full on

behalf of clients in such a way that those accounts, having re-established their credit standing, continue to place substantial repeat business with the clients. After all FCA has a reputation to maintain too.

THE STRATEGY OF CONTINUOUS GROWTH

■ A Collection Agency Must Never Stop Growing.

Acquisitions of companies are here to stay. So are corporate chains that keep adding link upon link. Most large collection agencies have discovered this method of continuous growth. FCA, however, has never adopted one of the common conditions set out in most corporate acquisitions, namely autonomous operations. All new acquisitions must adhere to the FCA method, must be responsible for their actions to FCA's executives and must adopt the policies and procedures established for all FCA branches throughout the world.

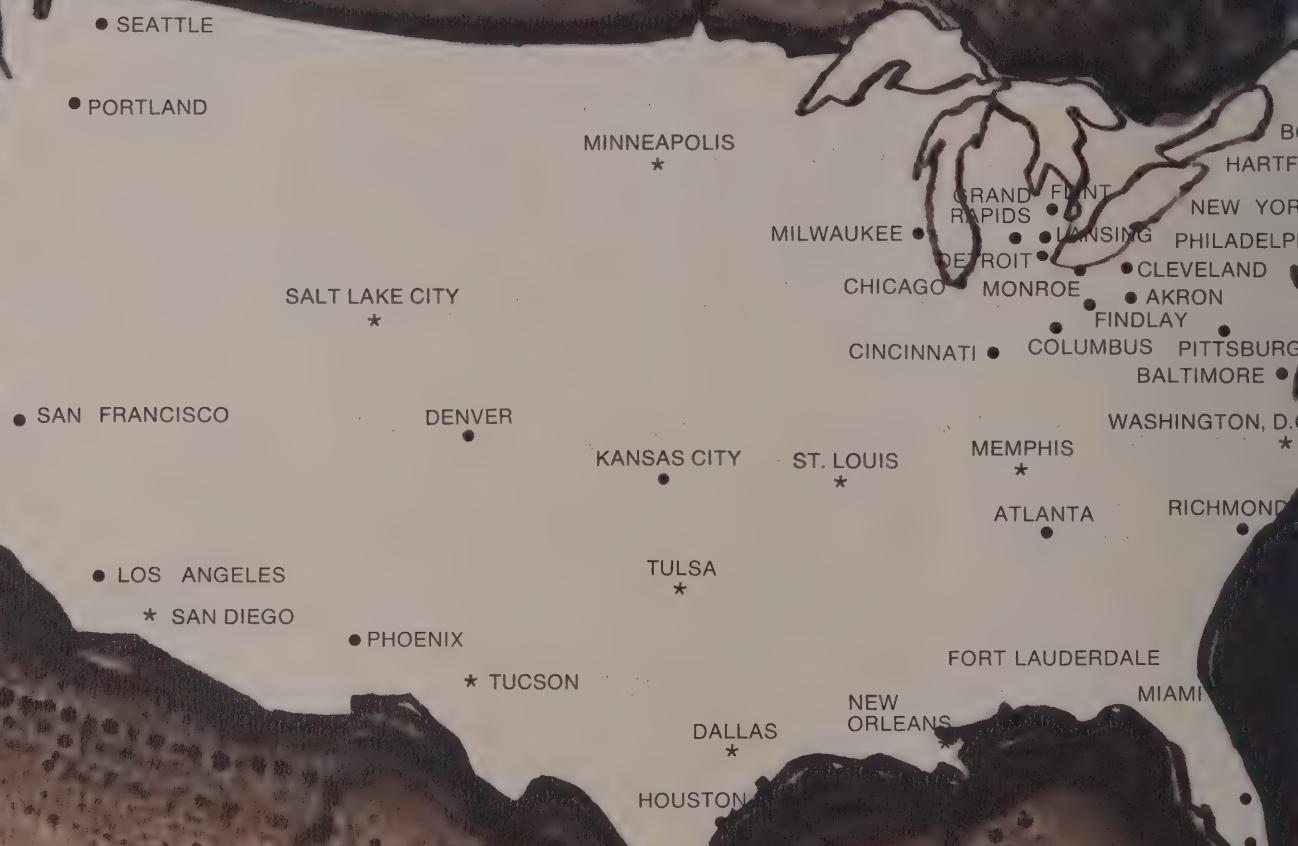


FCA never lends its name, never leases its identity to franchised branches under independent control or operation. Every FCA office in every part of the world is directly controlled and operated under the supervision of FCA's executive staff.

FCA follows its strategy of continuous, but controlled growth.

THE OVERALL STRATEGY

The overall Strategy of Growth is not new to FCA. It has been in existence since 1926. It will continue to motivate the operations of the company. It is every client's assurance of first-class service. Today - and tomorrow - and for all the tomorrows to come.



UNITED STATES

AKRON, OHIO 44304—SUITE 107, 680 E. MARKET ST. (216) 434-9173 ■ ATLANTA, GA. 30303—SUITE 1020, 235 PEACHTREE ST. N.E. (404) 577-3163 ■ BALTIMORE, MD. 21202—SUITE 3201, 10 LIGHT STREET (301) 837-7252 ■ BOSTON, MASS. 02110—SUITE 325, 140 FEDERAL STREET (617) 482-9010 ■ CHICAGO, ILL. 60601—NINTH FLOOR, 185 NORTH WABASH (312) 782-8150 ■ CINCINNATI, OHIO 45202—SUITE 608, 35 EAST SEVENTH ST. (513) 421-6615 ■ CLEVELAND, OHIO, 44114—SUITE 235, 1120 CHESTER AVE. (216) 241-4000 ■ COLUMBUS, OHIO, 43227—SUITE 8, 3501 EAST LIVINGSTON AVE. (614) 236-8501 ■ DENVER, COL. 80203—FCA HOUSE, 1900 WASHINGTON ST (303) 222-9488 ■ DETROIT, Mich. 48226—SUITE 200, 139 CADILLAC SQ. (313) 962-8360 ■ FINDLAY, OHIO 45840—101½ SANDUSKY AVENUE (419) 422-6722 ■ FLINT, MICH. 48502—SUITE 906, 432 N. SAGINAW ST. (313) 232-1118 ■ FORT LAUDERDALE, FLA. 33301—SUITE 320, 305 S. ANDREWS AVE. (305) 525-0684 ■ GRAND RAPIDS, MICH. 49502—SUITE 205F, 161 OTTAWA, AVE. N.W. (616) 459-6265 ■ HARTFORD, CONN. 06103—SUITE 407, 99 PRATT STREET (203) 522-6181 ■ HOUSTON, TEXAS, 77001—SUITE 510, MELROSE BUILDING, (713) 227-4331 ■ KANSAS CITY, MO. 64108—1822 MAIN ST. (816) 474-6866 ■ LANSING, MICH. 48933—SUITE 385, 106 W. ALLEGAN ST. (517) 327-9560 ■ LOS ANGELES, CALIF. 90035—SUITE 300, 864 S. ROBERTSON BLVD. (213) 655-8880 ■ MIAMI, FLA. 33162—SUITE 309, 2040-163rd STREET N.E. (305) 949-8133 ■ MILWAUKEE, WISC. 53217—316 EAST SILVER SPRING DRIVE (414) 332-0470 ■ MONROE, MICH. 48161—SUITE 14, 105 EAST FRONT STREET (313) 241-0900 ■ NEW YORK, N.Y. 10016—SUITE 1300, 171 MADISON AVENUE (212) 686-0420 ■ PHILADELPHIA, PA. 19102—SUITE 1918, 1405 LOCUST STREET (215) 985-1717 ■ PHOENIX, ARIZONA 85013—513 WEST THOMAS ROAD (602) 264-2755 ■ PITTSBURGH, PA. 15222—SUITE 2313, 717 LIBERTY AVE. (412) 261-6670 ■ PORTLAND, ORE. 97205—SUITE 610, 729 ALDER S.W. (503) 233-5171 ■ RICHMOND, VA. 23219—SUITE 805, 701 EAST FRANKLIN ST. (703) 647-1277 ■ SAN FRANCISCO, CALIF. 94109 SUITE 730, 1255 POST STREET (415) 771-9494 ■ SEATTLE, WASH. 98101—SUITE 918, NORTHERN LIFE TOWER, (206) 623-6761

WHERE IN THE WORLD IS FCA

FCA is justly proud of its long record of continuous operations since 1926... of its steady growth, over the years, to a volume in excess of \$100,000,000 in accounts accepted annually for collection... of its status as a public company serving every branch of commerce, industry, government and the professions... and of its highly trained and expertly supervised personnel.

And FCA is proud too of its coverage.

For in our growing network of branch offices, everyone of them directly controlled and linked to central management, is the ultimate proof that we have deserved to grow, and develop as we have, to become the highly specialized corporation dominant in its field.

FCA never lends its name, never leases its identity to "franchised" operators which may be under independent control or operation. We're international because we serve better... and we serve better because we are international.



GLASGOW

LEEDS

LIVERPOOL

MANCHESTER

BIRMINGHAM

CARDIFF

LONDON

PRINCE GEORGE

EDMONTON

KAMLOOPS

CALGARY

VANCOUVER

VICTORIA

SASKATOON

WINNIPEG

REGINA

BRANDON

THUNDER BAY

SUDBURY

OTTAWA

KINGSTON

KITCHENER

WINDSOR

CHARLOTTETOWN

RIMOUSKI

MONCTON

FREDERICTON

QUEBEC

MONTREAL

SAIN

JOHN

HAMILTON

CANADA

BRANDON, MAN.—SUITE 408, 742 ROSSER AVE. (204) 727-6413 ■ CALGARY 2, ALTA.—4th FLOOR, 605-7th STREET S.W. (403) 265-8180 ■ CHARLOTTETOWN, P.E.I.—SUITE 303, 159 KENT STREET (902) 892-3504 ■ EDMONTON, ALTA.—SUITE 214, 10156-101 STREET (403) 429-5821 ■ FREDERICTON, N.B.—SUITE 206, 212 QUEEN STREET (506) 454-3393 ■ HALIFAX, N.S.—SUITE 312, 5675 SPRING GARDEN RD. (902) 429-9160 ■ HAMILTON, ONT.—SUITE 211, 50 KING STREET EAST (416) 528-9881 ■ KAMLOOPS, B.C.—SUITE 11, 74 WEST SEYMOUR STREET (604) 374-1484 ■ KINGSTON, ONT.—SUITE 203A, 837 PRINCESS STREET (613) 546-6611 ■ KITCHENER, ONT.—SUITE 201, 251 KING STREET W. (519) 745-7307 ■ LONDON, ONT.—SUITE 24, 170 DUNDAS STREET (519) 438-8347 ■ MONCTON, N.B.—SUITE 201, 787 MAIN STREET (508) 389-9151 ■ MONTREAL 215, QUE.—FCA HOUSE, 4150 SHERBROOKE ST. WEST (514) 931-6411 ■ OTTAWA 4, ONT.—SUITE 301, 270 LAURIER AVE. W. (613) 235-1831 ■ PRINCE GEORGE, B.C.—SUITE 206, 1320 FIFTH AVE. (604) 535-0302 ■ QUEBEC 4, QUE.—SUITE 222, 189 DE SALABERRY STREET (418) 529-9481 ■ REGINA, SASK.—SUITE 3, 1846 SCARTH STREET (306) 521-6624 ■ RIMOUSKI, QUE.—148 AVENUE DE LA CATHEDRALE (418) 723-9274 ■ SAINT JOHN, N.B.—SUITE 380, 110 CROWN STREET (506) 657-3434 ■ ST. JOHN'S, NFLD.—710 FLOOR, 189 WATER STREET (709) 726-8520 ■ SASKATOON, SASK.—SUITE 206, 115-2nd AVENUE N. (306) 242-7712 ■ SUDBURY, ONT.—SUITE 5, 10 ELM STREET EAST (705) 673-8462 ■ SYDNEY, N.S.—SUITE 1, 292 CHARLOTTE STREET (902) 539-1232 ■ THUNDER BAY, ONT.—SUITE 1, 8A N. CUMBERLAND ST. (807) 344-3518 ■ TORONTO 101, ONT.—SUITE 700, 500 UNIVERSITY AVENUE, (416) 364-4151 ■ VANCOUVER, B.C.—SUITE 201, 340 SEYMOUR ST. (604) 683-6331 ■ VICTORIA, B.C.—SUITE 205, 1106 COOK ST. (604) 388-4494 ■ WINDSOR, ONT.—SUITE 203, 33 UNIVERSITY AVE. W. (519) 254-6444 ■ WINNIPEG 1, MAN.—SUITE 501, 284 PORTAGE AVE. (204) 942-7544

UNITED KINGDOM

BIRMINGHAM 3, ENG.—61 CORNWALL STREET (021) 236-5127/8/9 ■ CARDIFF, WALES—SUITE 8, 3rd FLOOR, ST. DAVIDS HOUSE, WOOD ST. TEL. 612411 ■ GLASGOW C.2, SCOTLAND—144 WEST GEORGE STREET (041) 332-7317/8/9 ■ LEEDS LS1 5ST—4th FLOOR, YORKSHIRE HOUSE, GREEK ST. 35721/2/3 ■ LIVERPOOL, ENG.—SUITE 1, 10 RUMFORD PLACE (051) 236-3292/3/4 ■ LONDON, ENG.—4th FLOOR, LEEGATE HOUSE, LEE GREEN (01) 852-85467/8/9 ■ MANCHESTER 1, ENG.—2nd FLOOR, AUSTIN HOUSE, 14/16 CHARLOTTE ST., (061) 832-3384/5/6.



FINANCIAL COLLECTION AGENCIES (MTL.) LTD.

EXECUTIVE OFFICES
EDIFICE FCA HOUSE
4150 SHERBROOKE STREET WEST,
MONTREAL 215 • TEL. (514) 931-6411

TO THE SHAREHOLDERS:

We are pleased to enclose a copy of our 1970 Annual Report containing financial statements and comparative figures with last year.

The Annual Report also contains a full and comprehensive description of FCA's history and progress in order to acquaint shareholders with our services and method of operations. Should you wish to receive additional literature regarding our services to clients please contact our corporate head office or any of the conveniently located offices listed in the Annual Report.

We are pleased to inform shareholders that FCA has recently acquired National Credit Associates Inc., of Kansas City, Missouri, a collection business with a 14 year history of service and good will. This acquisition will further increase our coverage in the Midwestern States, particularly where large credit granting institutions maintain national head offices.

FCA now has 65 offices in the United States, Canada, and the United Kingdom. We look forward to increasing this number and further expanding our business in the continuing future.

Yours very truly,

A handwritten signature in black ink, appearing to read "J.D. Lubotta".

J.D. Lubotta
President

